



Investor Presentation

MARCH 2024



Disclaimer

Important Information

Upon receipt of this Investors' Presentation, or any verbal presentation relating thereto (collectively, the "Information"), you irrevocably agree to be bound by the following terms and conditions:

The Information is confidential and may not be reproduced, redistributed, published, or passed on to any other person, directly or indirectly, in whole or in part, for any purpose. If you were not meant to receive the Information or received it illegally by any third party's breach of the aforementioned confidentiality undertaking, you must immediately return it to its owner - that is MBC Group (the "Company").

The Information is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country, or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The Information has not been reviewed, verified, approved and/or licensed by the Central Bank of the Kingdom of Saudi Arabia ("KSA"), Capital Market Authority of KSA and/or any other relevant licensing or regulatory authority in KSA including any licensing authority established and operating in the territory of KSA.

The Information does not constitute a recommendation regarding the purchase or sale of shares. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of the Company and the nature of the Offer Shares before taking any investment decision with respect thereto. If you do not understand the contents of the Information, you should consult an authorized financial adviser.

Subject to applicable law in KSA, the Company shall not accept any responsibility whatsoever in relation to the Information and makes no representation or warranty, express or implied, for the contents of the Information, including its accuracy, completeness, or verification or for any other statement made or purported to be made in connection with the Company, and nothing in the Information, or this Disclaimer, shall be relied upon as a promise or representation in this respect, whether as to the past, the present, or the future.

The Information contains forward-looking statements. These statements and any other statements that are not historical fact that are included in the Information are forward-looking statements. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance, and business. These statements may include, without limitation, any statements preceded by, followed by, or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors beyond the Company's control that could cause the Company's actual results, performance, or achievements to be materially different from the expected results, performance, or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future and should not be construed as guarantees of future performance.

The Information has not been independently verified and will not be updated. The Information, including but not limited to forward-looking statements, applies only as of the date of this Investors' Presentation and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the Information, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Information that may result from any change in the Company's expectations, any change in events, conditions, or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date of this document. Market data used in the Information not attributed to a specific source are estimates of the Company and have not been independently verified.

The information provided in these presentation materials is intended for informational purposes only and should not be construed as professional advice. While every effort has been made to ensure the accuracy and completeness of the content, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability, or availability with respect to the information contained herein.

Investing in securities involves risks, including the potential loss of principal. Before making any investment decisions, investors should carefully consider their own investment objectives, financial situation, and risk tolerance.

By attending/reading this presentation, you acknowledge that you have read, understood, and agreed to the terms and conditions outlined in this disclaimer.

Contents

MBC Group is forging a global media group that enriches people's lives through information, interaction and entertainment.

The Group commits to being the leading multi-platform provider of innovative information and entertainment, produced by professionals performing in a culture of excellence.



1

**MBC Group
Overview**

2

**Business
Segments**

3

**Performance
Highlights (FY 2023)**

4

**Financial
Summary (FY 2023)**

5

Leadership

6

Outlook

Introduction

The Group has a history of over 30 years dating back to its foundation in 1991, when it began operations in London, UK, and launched the first private Arab satellite channel.

Since its incorporation, the Group has established itself as the leading media company for free-to-air (“FTA”) TV in the MENA region, especially in the KSA, the UAE, Egypt, and Iraq in terms of audience share.

The Group has continued to grow its presence and audience reach in the MENA region where it broadcasts 13 FTA TV channels and owns Shahid, the leading over-the-top (“OTT”) video streaming platform in the MENA region in terms of subscribers.

The Group considers itself the leading provider of entertainment content to the Arabic speaking world and a leading producer of premium Arabic content.



MBC's Evolution

1991
First pan-Arab commercial channel




2002
Nonstop movies




2005
Western dramas in focus




2008
Family movie destination




First OTT platform



2012
Launch of international formats




Egyptian expansion



2019
Iraq and Morocco expansion





2021
MBC Media Solutions (MMS) launch, MBCs in house ad sales division



2M subscribers



2023
Expansion of the AVOD offering on Shahid including the launch of 45 Free Ad-Supported Streaming TV (FAST) channels

Launch of Load FM, MBCs new radio station

Robust alignment with and support from KSA government on strategic initiatives


1994
Launch of MBC Radio




2004
An outlet for children



2007
Action series targeting men



Turkish soap opera introduction



2010
Home of Arabic Drama



2018
Launch of MBC Studios



2020
Relaunch of VIP Shahid with enhanced value proposition



2022
HQ relocated to the KSA and operational relocation started



We built a strong, trusted relationship with our pan-Arab audience, transitioning together as the sector evolved

Broadcast

OTT

Innovation & Diversification

Our Group at a Glance in FY-2023



UNPARALLELED SCALE & REACH

150M

Viewers per week

c.90%

Potential household
reach in the MENA
region

76B

Video views on owned
social media

MARKET DOMINANCE

#1

TV broadcaster in
key MENA markets
including KSA

#1

SVOD by number
of subscribers

#1

AVOD by number of
active monthly users

UNIQUE CAPABILITIES

85%

is Arabic content,
produced by MBC
Studios or acquired

858

MMS advertisers
across MENA

9,000+

Titles in content library
including acquired
content

Investment Highlights

Leveraging our unique value proposition to capitalize on attractive market opportunities and deliver sustainable growth

- 1 >> **Highly attractive macro fundamentals** supporting long-term, sustainable growth across Media and Entertainment verticals
- 2 >> **Leading broadcasting company in the MENA region** with **unparalleled reach**
- 3 >> **Leading video streaming platform in the region** delivering strong growth
- 4 >> Home to the **highest quality** and most **engaging content**, featuring **distinctive in-house production capabilities**
- 5 >> **Multiple organic growth levers** in the core business and best positioned to continue to **invest in high growth entertainment verticals**
- 6 >> **Robust financial profile** combining **profitable broadcasting** and **high growth digital businesses**
- 7 >> **Highly respected** and **experienced management** team, backed by **strong and supportive Board of Directors**

Business Segments

» Segments Overview

Broadcasting & Other Commercial Activities
Shahid – OTT Platforms
Media & Entertainment Initiatives

» Content | Center of Business Segments

Our Group Segments



Broadcasting and Other Commercial Activities

The commercial activities of MBC Group derive solid and sustainable revenues from broadcasting and its adjacencies including a diversified portfolio of entertainment verticals

- 13 FTA Channels
- MMS
- Radio
- Social Media
- Gaming
- Music
- Events
- E-media

Our Foundation



SHAHID - OTT

A dual revenue approach, capitalizing on subscription and advertising revenue, bolstered by favorable market dynamics, and increasing OTT penetration in the region.

**Subscription Video
On Demand (SVOD)**

&

**Advertising Video
On Demand (AVOD)**

Our Growth



Media & Entertainment Initiatives

The governments' media partner of choice, entrusted with the development of the media ecosystem in KSA driving large scale entertainment projects

- **MBC Studios**
- **MBC Academy**
- **MBC Talent**
- **MBC IRAQ, MBC PERSIA, MBC CINQ**

Our Partnership



**Other
Investments**



MBC GROUP Ownership: 13.7%



MBC GROUP Ownership: 20%

Broadcasting & Other Commercial Activities: Overview

Pan-Arab broadcasting leader for over 30 years reaching over 150M viewers every week

Commercial Activities: Our Foundation
 Our commercial activities serve as the foundational pillar of our operations, representing the core services upon which our business was established over 30 years ago. This encompasses a spectrum of offerings, including Free-To-Air channels, advertising, and other entertainment verticals.

Financial Highlights (SAR million)

Y/E 2023		Y/E 2023	
2,003	+3.2%	345	-21.0%
Total Revenue	YoY % Change	Net Income	YoY % Change

MBC's commercial activities include:

Household Names of FTA Channels

Growing Presence in Radio

Music, Gaming & Events

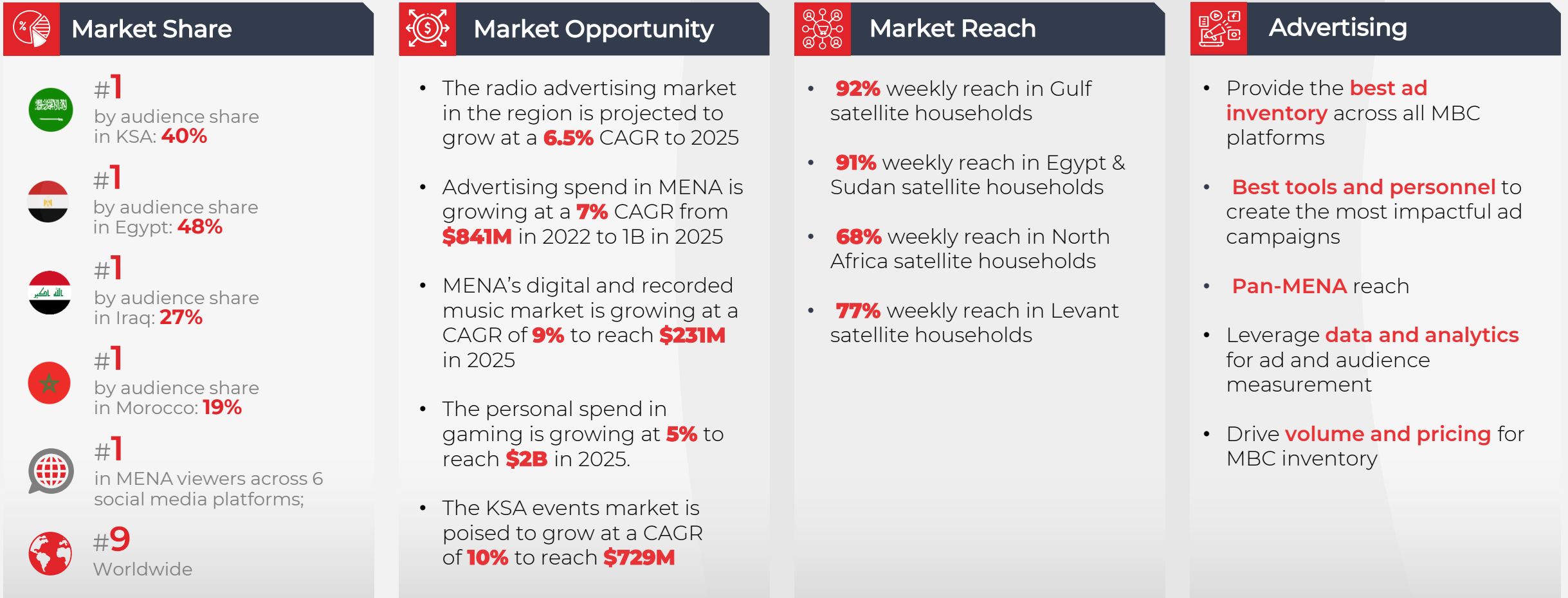
Roster of Sports Rights

Over 650mn Social Media Followers

- Facebook: c. 373 mn
- YouTube: c. 109 mn
- X: c. 66 mn
- Instagram: c. 67 mn
- TikTok: c. 37 mn

Broadcasting & Other Commercial Activities: Reach & Growth

MBC is the partner of choice for advertisers given its trusted position and massive reach in the Arab world



Source: Dataxis Research, PwC Global Entertainment & Media Outlook 2022-2026, Omdia, Company information, Mordor Intelligence 2022, STATEX, Experts inputs, Arab Media Outlook, Statista, Euromonitor as of April 2023, Fitch & World Bank,

Shahid OTT: Overview

Shahid is the leading OTT platform in MENA

OTT – Shahid : Our Growth Engine

MBC's OTT platform and growth engine, Shahid, is a key pillar of our strategy. Shahid encompasses both subscription video-on-demand (SVOD) and advertising video-on-demand (AVOD) revenue streams, reflecting our commitment to deliver engaging content through advanced digital platforms.

Financial Highlights (SAR million)

Y/E 2023		Y/E 2023	
836	51%	279	-28%
Total Revenue	YoY % Change	Net Loss	YoY % Change

MBC's Shahid OTT platforms include:



AVOD (advertising video-on-demand)

Free digital platform for wide reach



AVOD (advertising video-on-demand)

Paid platform to access premium content including sports



795k

Concurrent Views during Live Matches



+1bn

Data Points Collected Daily



+450M

Plays per Month



700M+

Ad Inventory Created Monthly



40+

Billing Integrations

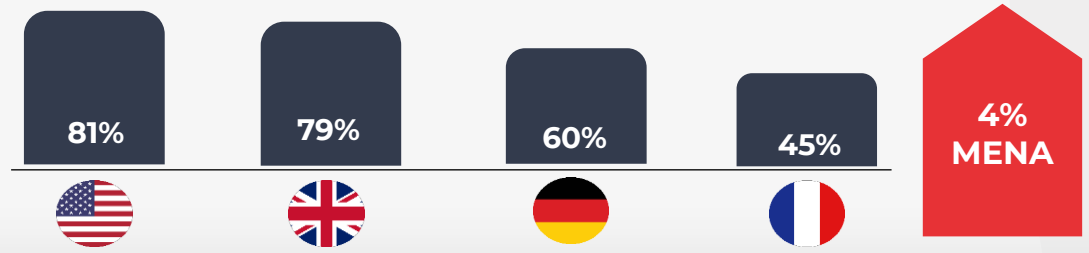
Shahid OTT: Reach & Growth

Shahid is well positioned to capture the significant growth expected in the regional OTT market

Market Share

- #1 Premium SVOD service
- #1 subscriber market share in MENA with 3.8M subscribers
- Subscriber base growing at 40% YoY
- #1 AVOD with 15M average monthly active users (yearly average)
- Active user base growing at 25% YoY

OTT Penetration (2022)



Market Opportunity

- Radio advertising in MENA is projected to grow at a 6.5% CAGR to 2025
- Advertising spend in MENA is growing at a 7% CAGR from \$841M in 2022 to 1B in 2025
- Digital and recorded music market in MENA's is growing at a CAGR of 9% to reach \$231M in 2025
- Personal spend in gaming is growing at 5% to reach \$2B in 2025.
- KSA events market to grow at a CAGR of 10% to reach \$729M

Growth Drivers

- Market growth with additional tailwinds
- Expanding AVOD audience base
- Targeting Arab diaspora
- Improving efficiency in marketing & user acquisition
- Improvements in user experience
- Maintaining competitive pricing
- Reducing churn

Source: Dataxis Research, PWC Global Entertainment & Media Outlook 2022-2026, Omdia, Company information, Mordor intelligence 2022, STATEX, Experts inputs, Arab Media Outlook, Statista, Euromonitor as of April 2023, Fitch & World Bank,

Media & Entertainment Initiatives: Overview

MBC is developing the broader media ecosystem in the region in line with Vision 2030

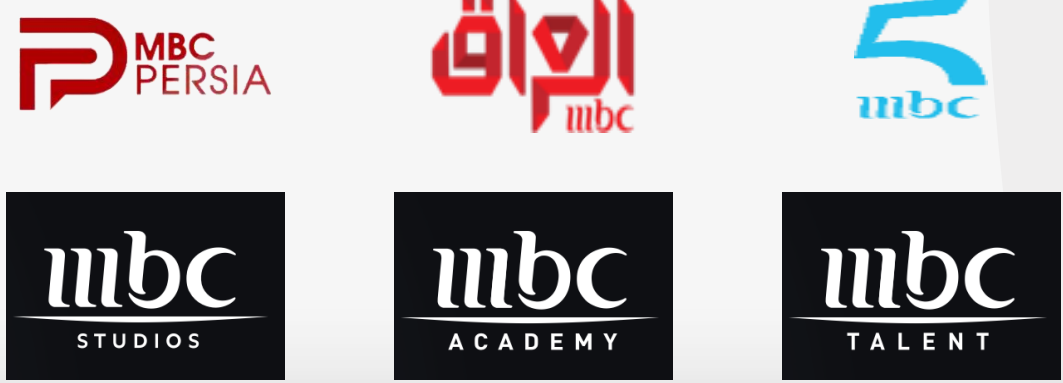
Media & Entertainment Initiatives: Our Partnerships
 We prioritize our partnership with the Saudi government through our media and entertainment initiatives, aligning with Vision 2030 objectives. While distinct from our core commercial operations, these initiatives underscore our commitment to societal advancement and align with our overarching mission.

Financial Highlights (SAR million)

Y/E 2023		Y/E 2023	
864	-13%	4	n/a
Total Revenue	YoY % Change	Net Income	YoY % Change

MBC's Media & Entertainment Initiatives include:





Why MBC?



- **30 years** of successful innovation
- High **brand affinity**
- **Trusted relationship** with consumer
- **Deep insights** into consumer behaviour
- **Strong capabilities** and know-how

Media & Entertainment Initiatives: Benefits & Growth

Best positioned to capture further growth from investments in high- growth entertainment verticals

 Vision 2030 Initiatives	 Indirect Benefits	 Market Opportunity	 Business Opportunity
<ul style="list-style-type: none">▪ Support national champions consolidate their leadership globally▪ Increase localization of non-oil sectors▪ Develop the digital economy▪ Develop economic ties with global partners▪ Uphold the Arabic language▪ Expand vocational training to provide for labor market needs	<ul style="list-style-type: none">▪ Local TV channels play a key role in establishing a foothold in and penetrating new markets▪ Continued growth of Shahid user base on the back of marketing through the local channels driving AVOD and SVOD business▪ By establishing leading positions in new markets, MBC expands its global reach and brand recognition▪ Local knowledge and insights gained in new markets can be used to optimize mature operations	<ul style="list-style-type: none">▪ Household spend on entertainment activities to increase from 1.7% in 2017 to 6% by 2030▪ \$64B to be invested in the entertainment sector for show creation, start-up accelerators and venue development funding	<ul style="list-style-type: none">▪ Produce high- quality differentiated content that speaks to audiences▪ Identify, develop and promote local talent to drive growth in studios and broader entertainment sector▪ Fuel growth in MBC with potential to commercialize externally▪ Leverage MBC's extensive capabilities and powerful brand to pursue exciting initiatives

Source: Databox Research, PwC Global Entertainment & Media Outlook 2022-2026, Omdia, Company information, Mordor Intelligence 2022, STATEX, Experts inputs, Arab Media Outlook, Statista, Euromonitor as of April 2023, Fitch & World Bank,

Content: At the Core of our Business Segments

Maximizing MBC's reach and engagement across the region via a diversified line-up of award-winning content



Drama



Entertainment



Comedy



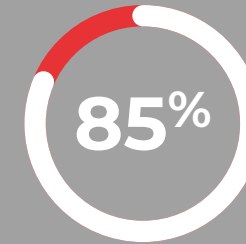
Action



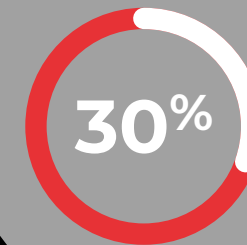
Documentaries



Sport



Arabic Content



Commissioned Content

Winner
Best OTT Production of
the Year 2022

Nominee
International Emmy
Awards Nomination 2022

Winner
Best OTT Production of
the Year 2021

Winner
Best OTT production of
the Year 2020

A control room with multiple monitors displaying various data and a keyboard with glowing keys. The scene is dimly lit with blue and purple tones, suggesting a professional or technical environment.

Performance Highlights (FY 2023)

FY 2023 Key Corporate Highlights

MBC Group raised SAR 835 million (USD 222 million) through primary IPO, listed on 8 Jan 2024 on Saudi Exchange Main Market.



Shahid's subscriber base exceeded targets and grew c.40% YoY to reach 3.98 million subscribers at the end of FY-2023. Since 2020, Shahid's subscriber base has nearly quadrupled.



Strategic focus on AVOD; capturing the growing AVOD market with an increase in inventory sell rates and successfully bridging the gap between the FTA & AVOD market share



Phase 1 of the Al Narjis complex progressed rapidly in Q3/Q4. The full project will deliver a production facility with:

- 3 large film studios
- 5 television studios
- A workshop
- A warehouse
- Post-production facilities
- Additional offices for technical teams



Broadcasting and Other Commercial activities segment continues to hold its leading position across all verticals. In FY 2023 MBC had a series of new launches and expansion into verticals such as music, gaming and events



Content highlights include bringing back the popular "Tash Al Awda" and new releases such as "Room 207" and "London Class". Additionally, the release of "Kandhar," the first international movie produced in Saudi Arabia, starring Gerard Butler.



Extension of service agreement with the Saudi Sports Channel.

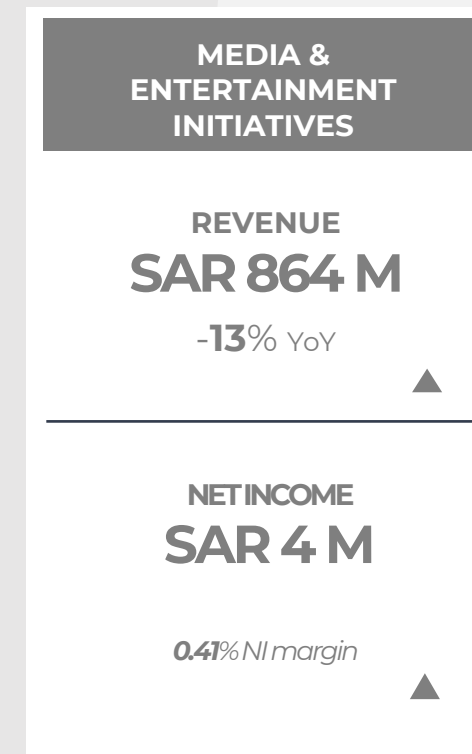
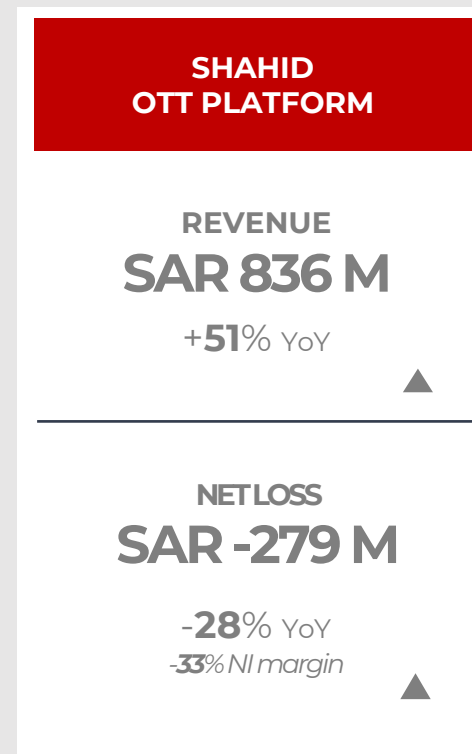
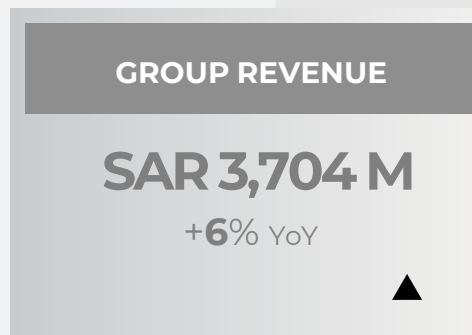


FY 2023 Financial Highlights

Driven by steady growth across its core business segments and the exceptional success of Shahid, MBC delivered a strong financial performance in 2023.



¹Broadcasting & other commercial activities include primarily advertising and other broadcasting-related ancillary activities and excludes Shahid and revenues linked to Media & Entertainment initiatives.



FY 2023 Key Performance Highlights



MBC experienced solid revenue growth across its core business segments: Broadcasting & Other Commercial Activities and Shahid.



Growth in the Broadcasting & Other Commercial Activities segment was mainly driven by the renewal and increase in scope of services of the SSC agreement, in addition to an increase in revenue contribution from production events with GEA & Neom.



Shahid witnessed a significant surge in digital advertising revenue which more than doubled YoY mainly due to an expansion in AVOD's advertising inventory in 2023 compared to the previous year. The increased focus on AVOD was a strategic decision the Group.



Despite the impact of the Gaza crisis, resulting in a 6.7% decline in Group revenues, the Group experienced a remarkable 45% growth in net income. Mainly driven by Shahid's revenue growth and a significant decrease in Shahid's net losses.




Revenue from Shahid delivered an outstanding YoY increase of 51% to reach SAR 836 million and net losses decreased 28% to SAR 279 million vs. SAR 389 million in FY 2022.



In FY 2023, the Group continued to deliver on its agreed KPIs with the KSA government for all ongoing M&E Initiatives. While margins in this segment have historically been subdued, we can expect future contracts with the government to generate modest margins between 2 and 4%.



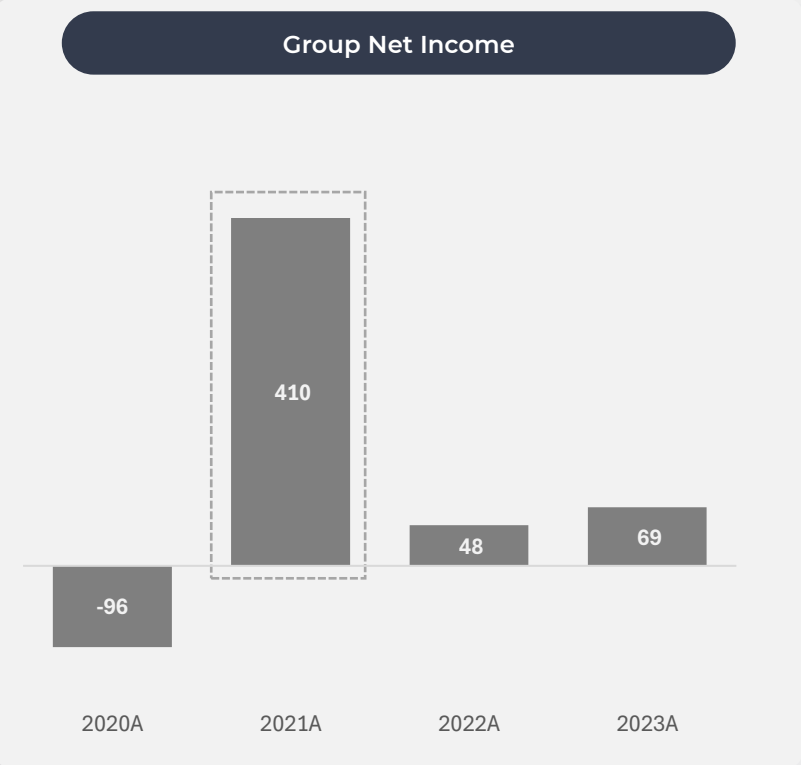
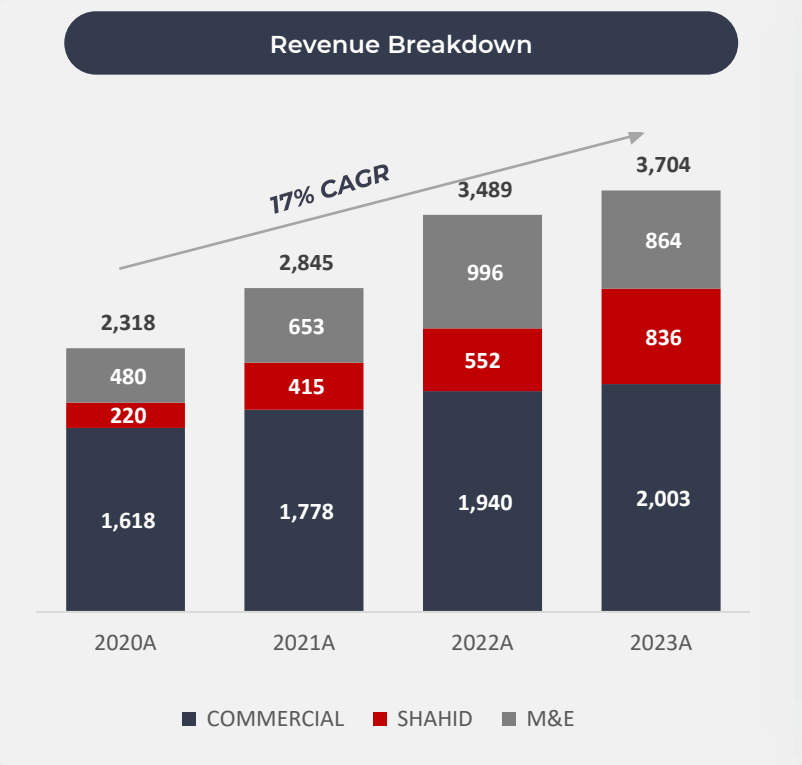
A man with a mustache, wearing a brown jacket, is leaning over a computer monitor in a dimly lit office. He is looking intently at the screen. The background is dark and out of focus, showing some office equipment and a window with blinds.

Financial Summary (FY 2023)

Group Financial Performance

MBC HAS EXPERIENCED STRONG REVENUE GROWTH ACROSS ITS CORE BUSINESS SEGMENTS

(SAR Millions)



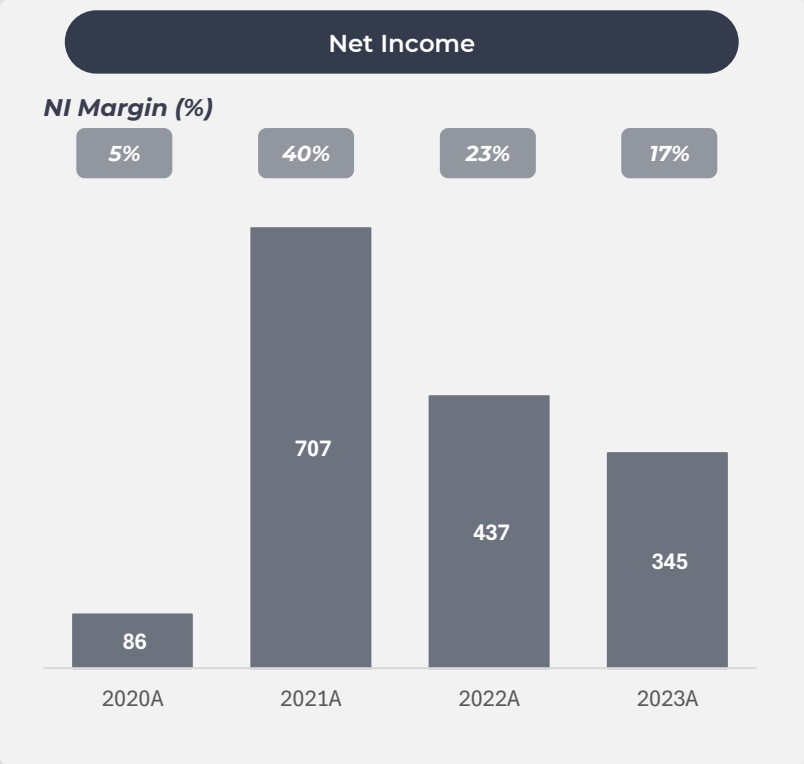
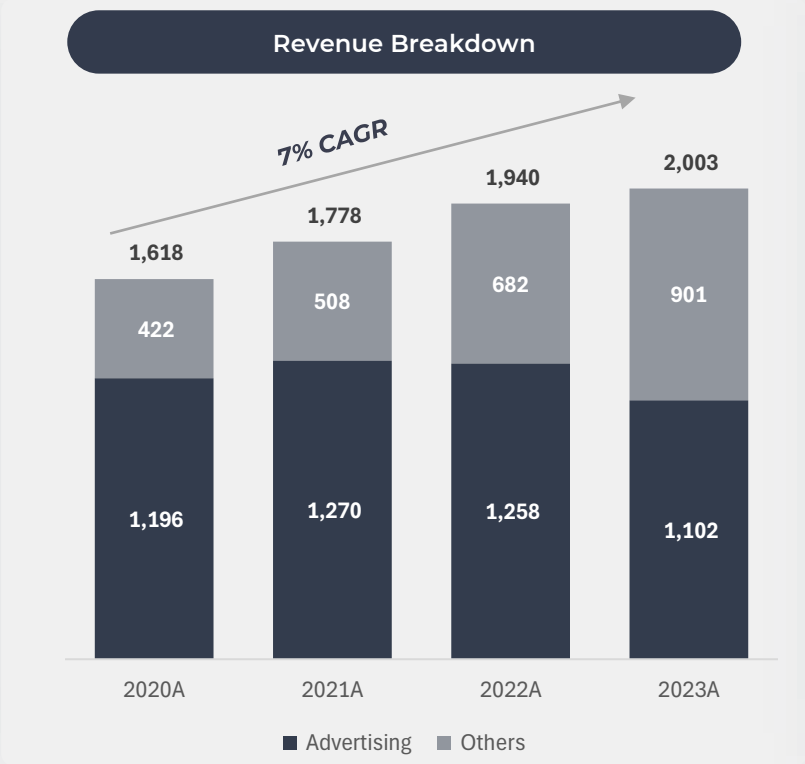
*One-off Adjustments in 2021

Positive bottom-line performance on the Group level

Broadcasting & Other Commercial Activities Performance

MBC'S BROADCASTING & OTHER COMMERCIAL ACTIVITIES EXPERIENCED CONSISTENT TOPLINE GROWTH

(SAR Millions)



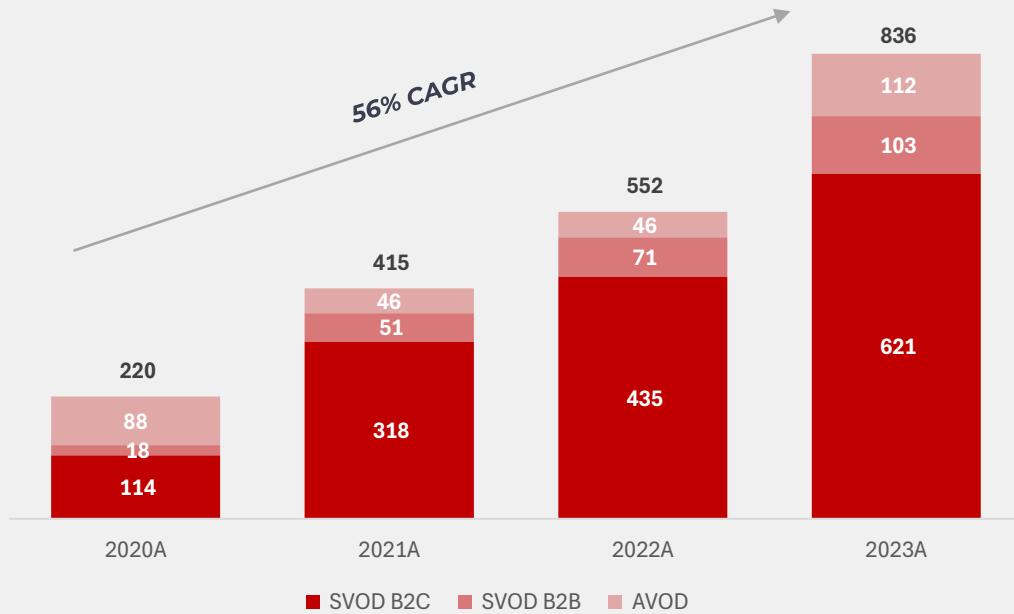
Consistent revenue growth coupled with a stable cost structure

Shahid (OTT) Performance

SHAHID HAS EXPERIENCED EXCEPTIONAL REVENUE GROWTH ACROSS ALL OF ITS OPERATIONS

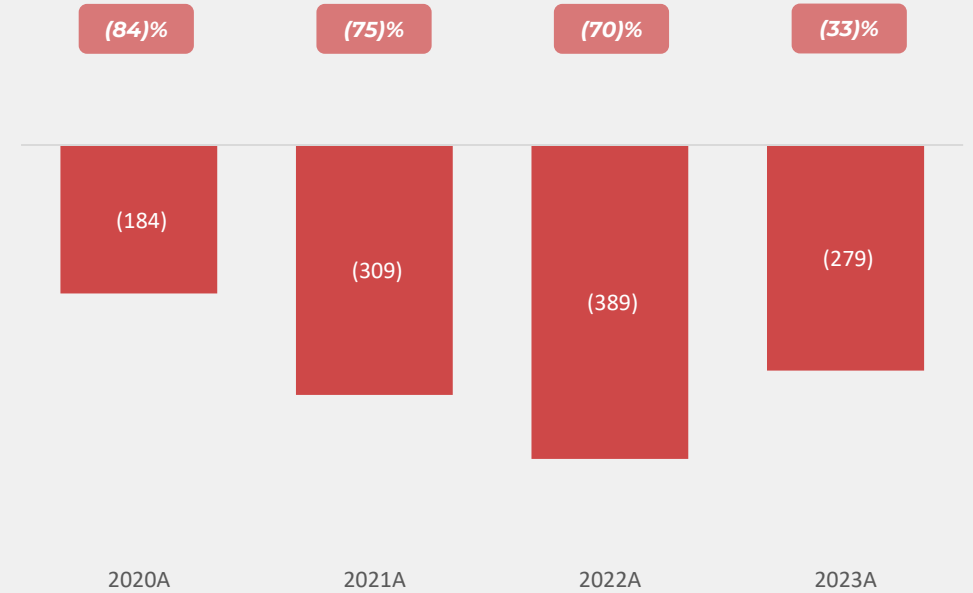
(SAR Millions)

Revenue Breakdown



Net Income

NI Margin (%)

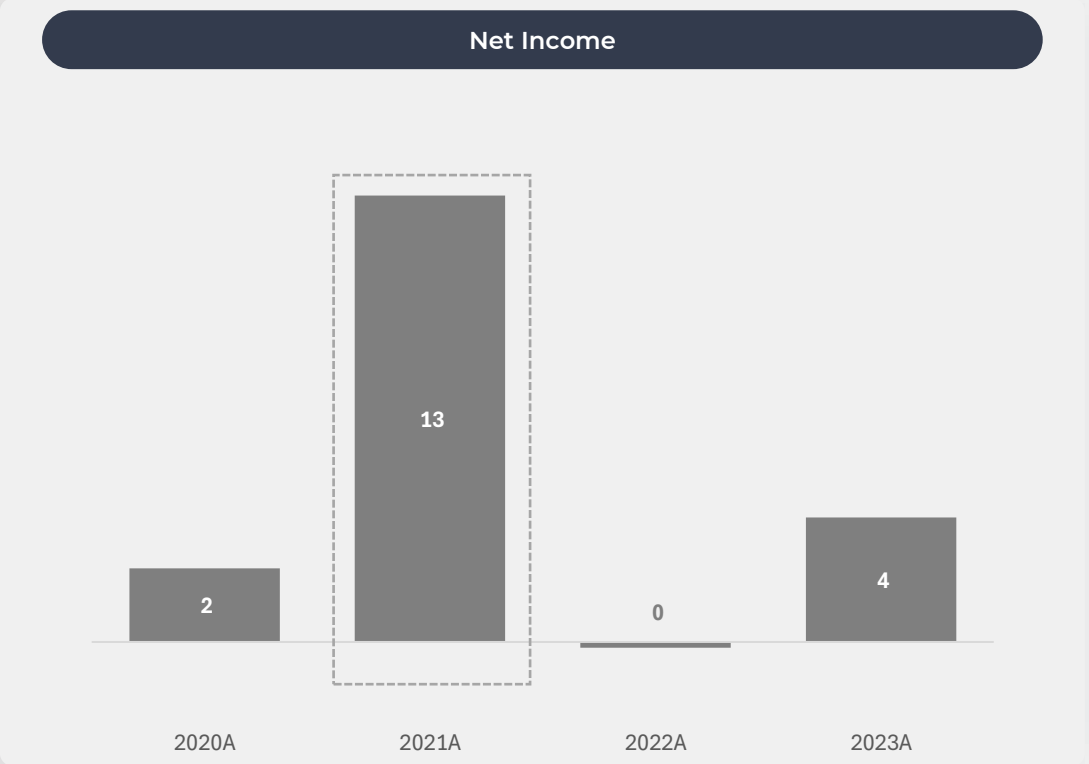
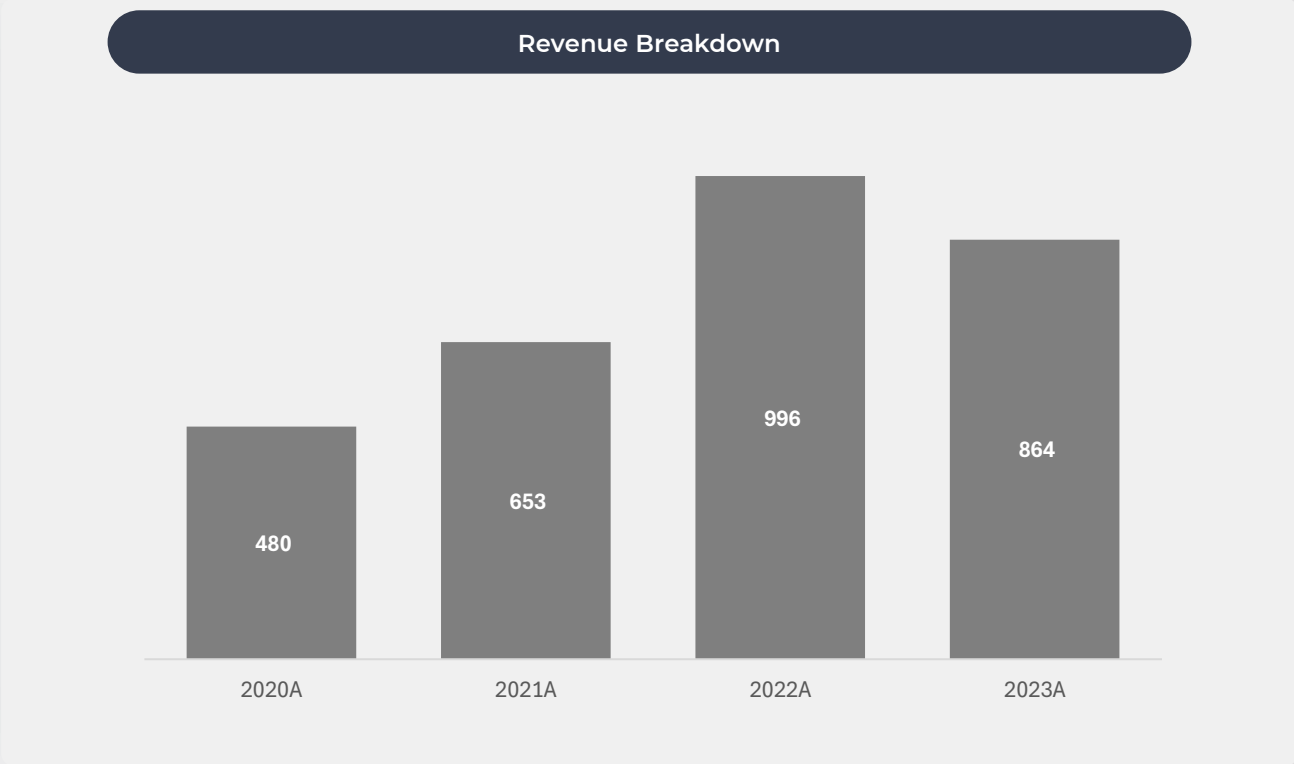


Rapid revenue growth trajectory underpinned by improving profit margins

Media & Entertainment Initiatives Performance

MEDIA & ENTERTAINMENT INITIATIVES CONTINUE TO BE A STRONG VALUE ADD FOR MBC AND THE MEDIA ECOSYSTEM IN KSA

(SAR Millions)



*One -off Adjustments in 2021

Strong and continued partnerships fostering growth and development

Guidance



Broadcasting & Other Commercial Activities

FY 2024E

Revenue (% Growth)
Mid-single digit growth

Net Income Margin
16%-18%

FY 2025E

Revenue (% Growth)
Low-double digit growth

Net Income Margin
18-20%

Medium Term

Revenue (% Growth)
Mid-single digit growth

Net Income Margin
18-20%



SHAHID - OTT

FY 2024E

Revenue (% Growth)
25%-35%

Net Income Margin
(25%)-(30%)

Subscribers
Low-double digit growth

Medium Term

Revenue (% Growth)
Low-double digit growth

Net Income Margin
Breakeven within 5 years

Subscribers
High-single digit growth



Media & Entertainment Initiatives

FY 2024E

Revenue
SAR 750-940 MN

Net Income Margin
2%-4%

Medium Term

Revenue (% Growth)
c. SAR 1,125 MN

Net Income Margin
c.5%

Leadership

Executive Management Team & IR



SAM BARNETT
Chief Executive Officer
21 years at MBC
30 years of total experience



HUSSAM ALNOURI
Chief Financial Officer
21 years at MBC
32 years of total experience



JOSEPH IGOE
Chief Operating Officer
7 years at MBC
29 years of total experience



OMAR EL - BARRAGE
General Counsel
13 years at MBC
15 years of total experience



STEPHANIE HOLDEN
Corporate Director for
Strategy & Business
Development
18 years at MBC
28 years of total experience



NATASHA MATOS-HEMINGWAY
Chief Commercial &
Marketing Officer - Shahid
2 years at MBC
15 years of total experience



ALI JABER
Group Director of TV
12 years at MBC
36 years of total experience



SAMAR AKROUK
Group Director
of Production
28 years at MBC
28 years of total experience



MARYAM BABGI
Investor Relations
Manager
2 year at MBC
7 years of total experience

Board of Directors



**WALEED IBRAHIM
AL IBRAHIM**
Chairman



**H.E. HINDI
AL SOHIMI**
Vice Chairman



**ABDULLAH
AL DAWOOD**



**ABDULRAHMAN
IBRAHIM
AL ROWAITA**



**KHALED ABDULLAH
ALMOLHEM**
**Independent Board
Member**



**MAJED
AL IBRAHIM**
**Independent Board
Member**



**MOSA
AL OMRAN**



**NASSER
ALBIQAMI**

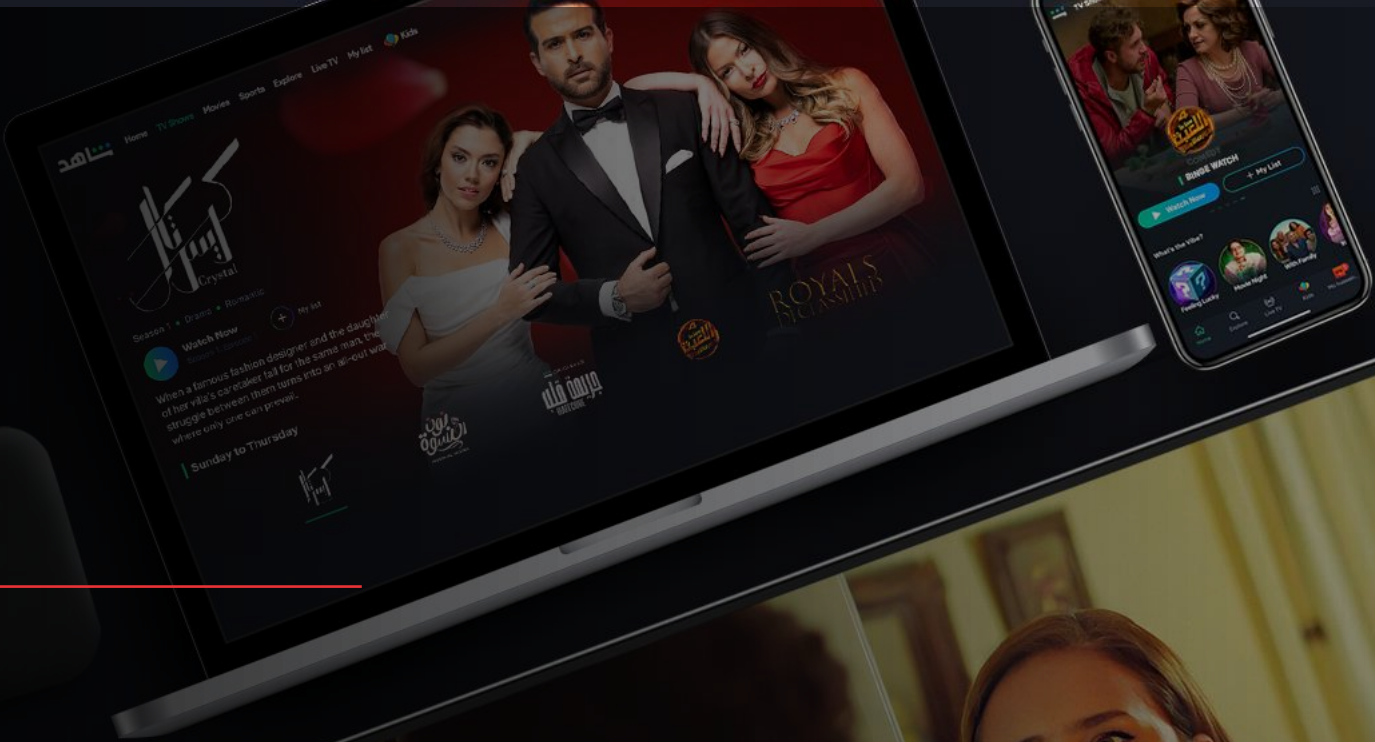


**MANSOOR
ABDULAZIZ
ALMANSOOR**
**Independent Board
Member**



ALI AL HEDEITHY
Board Secretary

Outlook



Growth Opportunities

Significant opportunities for growth acceleration

Content



Build broad multi-platform superior content that caters to a diverse audience tailored across geographies, while focusing on original content creation and unique categories like sports to drive subscriber and bottom-line growth

Advertising



Refocus on the AVOD model with optimized and transparent pricing, and increase inventory sell rate to drive growth and bridge the market share gap between FTA and AVOD

SVOD



Focused retention strategy to reduce subscriber churn, while capitalizing on growing MENA OTT penetration and generate subscribers in Egypt and the rest of Africa

Geographic Expansion



Leverage leadership position and brand to penetrate new markets and provide quality content on local channels; monetize existing content in Morocco and Iraq with relevant shows to generate ad and subscriber growth, while exploring B2B deals like Orange in Morocco

New Verticals



Diversify revenue streams with the launch of new verticals such as gaming, music and events

 Underpinned by a trusted brand that can grow across platforms and regions 

Market Overview

Thriving in the Global Epicenter of Entertainment

Macro Drivers

- 1 Young and growing population
- 2 Growing regional affluence

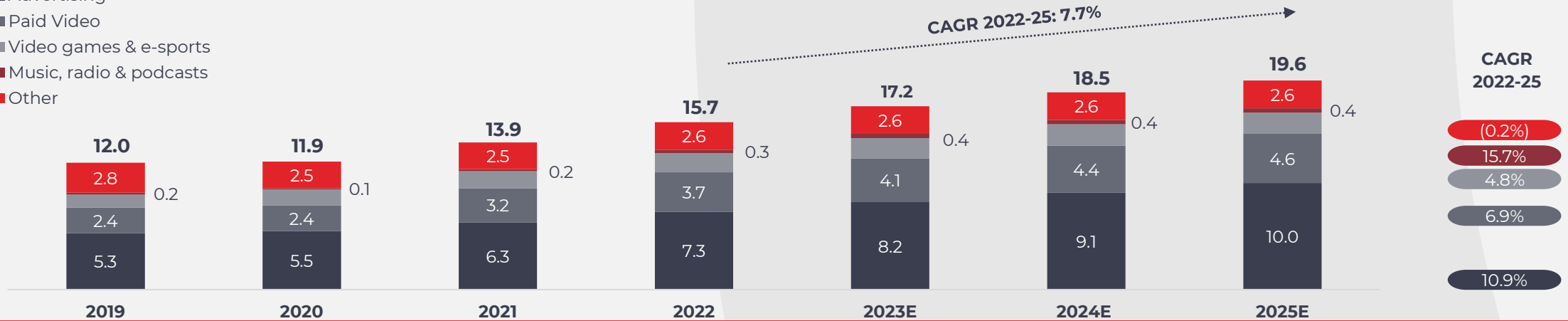
Market Drivers

- 3 Increasing connectivity
- 4 Digitally-savvy consumer base
- 5 Large and diverse content libraries
- 6 Support from government initiatives

MENA Media & Entertainment Market¹

By revenue stream (\$, billions)

- Advertising
- Paid Video
- Video games & e-sports
- Music, radio & podcasts
- Other



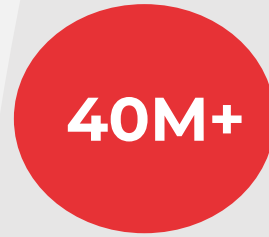
Media & Entertainment is a large sector across MENA, with a strong growth outlook

With our diverse offerings, MBC is set to capitalize on the healthy projected growth across various segments

Source: Databix Research, PwC Global Entertainment & Media Outlook 2022-2026, Omdia, Company information, Mordor intelligence 2022, STATEX, Experts inputs, Arab Media Outlook, Statista, Euromonitor as of April 2023, Fitch & World Bank,

Market Overview (contd.)

Large Arabic speaking population beyond the MENA region constitutes an extended addressable market



Arab speaking diaspora outside MENA



Total Arab-speaking population



Selected countries with the largest Arab diaspora



Brazil
12M



France
6M



Indonesia
5M



Argentina
4.5M



USA
3.5M



Turkey
2.6M



Appendix

Income Statement

(SAR Millions)

Description (SAR'M)	FY 2023	FY 2022	% Change YoY
Total Revenue	2,800	2,354	19%
Other operating revenues	904	1,135	-20%
Direct costs	(2,783)	(2,848)	-2%
Gross profit	921	641	44%
General and administrative	(1,009)	(815)	24%
Operating Loss	(88)	(174)	-49%
Other income	121	203	-40%
Finance income	(8)	2	-500%
Investment & Financial Instruments Performance	49	24	104%
Profit before tax	74	55	35%
Income tax and zakat	(5)	(7)	-29%
Net Income for the year	69	48	45%

Commentary

Broadcasting growth in line with broader market's trends

- Growth was mainly driven by the renewal and increase in scope of services of the SSC agreement, in addition to an increase in revenue contribution from production events with GEA & Neom.

Growth in OTT supported primarily by the expansion in subscriber base

- 3.8x growth in Shahid subscribers since 2020; and
- 25% increase in average monthly active users subscribers in FY2023 vs. FY 2022

Despite the impact of the Gaza crisis, resulting in a 6.7% decline in Group revenues, the Group experienced a remarkable 45% growth in net income.

Mainly driven by Shahid's revenue growth and a significant decrease in Shahid's net losses.

Balance Sheet

(SAR Millions)

DESCRIPTION	2023	2022	% Change
ASSETS			
Non-current assets			
Property and equipment	116	105	10%
Intangible Assets	67	41	63%
Right of Use Assets	59	36	64%
Investments in JVs, associates and AFS	1,217	998	22%
Employees' fund assets	109	103	6%
Deferred tax asset and other assets	1	0	100%
Total non-current assets	1,569	1,283	22%
Current assets			
Inventories	2,590	2,568	1%
Trade and other receivables	2,733	1,498	82%
Due from related parties	434	308	41%
Cash And Cash Equivalents	827	689	20%
Derivative Financial Instruments	6	3	100%
Total current assets	6,590	5,066	30%
Total Assets	8,159	6,349	29%
LIABILITIES & EQUITY			
Non - current liabilities			
Lease liabilities	33	40	-18%
Provision for employees' gratuity	158	149	6%
Loan from a related party	64	64	0%
Deferred Tax Liability	0	0	0%
Total non-current liabilities	255	253	1%
Current liabilities			
Lease liabilities	30	9	233%
Trade and other payables	3,350	2,575	30%
Due to related parties	48	54	-11%
Loan from a shareholder	497	497	0%
Borrowings	188	-	100%
Total current liabilities	4,113	3,135	31%
Total Liabilities	4,368	3,388	29%
EQUITY			
Equity attributable to equity holders of the parent	3,779	2,953	28%
Non-controlling interests	12	8	50%
Total Equity	3,791	2,961	28%
Total liabilities and equity	8,159	6,349	29%

Commentary

Assets:

- Non-current Assets: The increase in investments was mainly due to additional investment in MBC Gaming Studios among others.
- Current Assets: The increase in Trade and other receivables was mainly driven mainly by the recognition of the IPO proceeds (~833 million SAR capital raise), and receivables from broadcasting and other technical services revenues in 2023.

Liabilities:

- Current Liabilities: The increase in Trade and other payables was mainly due to funding received towards M&E initiatives which remained as deferred revenue as at 31, Dec 2023.
- Current Liabilities: The borrowing of 118 million SAR represents the balance of a bank facility loan.

Cash Flow Summary

(SAR Millions)

	FY 2023	FY 2022	% Change
Operating Activities			
Profit before tax	74	55	35%
Non-cash adjustments	86	91	-6%
Working capital changes	72	18	290%
Net cash flows used in investing activities	-261	-626	-58%
Net cash flows generated from financing activities	169	480	-65%
Net increase in bank balances and cash	139	19	626%
Net foreign exchange difference	-5	-4	12%
Bank balances and cash at the beginning of the year	693	678	2%
Bank balances and cash at the end of the year	828	693	19%

Commentary

Working capital changes

Working capital changes includes YoY variance in the Group's current assets and liabilities. Increase of 290% in 2023 compared to 2022 is mainly driven by the drop in net movement of inventories coupled with increase in deferred revenue.

Investing activities

Cash flow used in investing activities is lower in 2023 compared to 2022 due to lower investment requirements. The higher investment cashflow reported in 2022 is mainly due to acquisition of additional shares in ACSC.

Financing activities

Financing activities 2023 financing is mainly from outstanding bank loan of SAR 188M.

Thank you